

Phase II Rates Are TELRIC-Compliant

- DE PSC: Phase II rates “*reflect cost of performing ... non-recurring tasks using the ‘most efficient telecommunications technology currently available and the lowest cost network configuration,’ and not simply the cost to Verizon-DE of performing these tasks now or in the future.*” Phase II Order at 35.
- Phase II DE NRCM is, save for minor modifications, the *same* NRCM that was used to develop costs in NY and NJ.

Verizon's Phase II NRCs:

- Expressly reduced times to account for all forward-looking efficiencies achievable using available technology.
- *Eliminated entirely tasks rendered unnecessary by available technologies.*
- For TISOC (ordering) tasks, used Spring 2000 Anderson observations.
- Relied on lesser of mean and mode costs (service order, installation (provisioning plus CO Frame), and field dispatch).
- Removed expedite charges.
- Disaggregated connection and disconnection charges.
- Reduced common overhead.

Verizon's \$9.01 Feature Change Charge Complies With TELRIC

- This issue was not raised at the State (DE) level.
- The NJ \$7.71 charge for the same UNE was based on same exact activities and times; only difference is labor rates and loadings.
- New York PSC has approved the very same \$9.01 charge at issue here, also based on same activities and times.
- Moreover, the charge is justified. Many types of CLEC errors can cause an order to fall out of Verizon's mechanized systems, requiring manual handling. For example, CLECs sometimes ask Verizon to remove a feature that is not actually in place on a given account, or to install a feature on an account where that feature already exists.

Verizon's Promotional \$35 Hot Cut Rate is TELRIC-Compliant

- FCC has already found this rate TELRIC-compliant in *New Jersey Order*.
- PSC found non-recurring hot cut costs actually equal \$113.71 for connect activities; \$17.87 for disconnect.
- Verizon incurs \$56.57 just to check whether the CLEC is ready to proceed with the hot cut, and to physically move the customer to the CLEC's switch. *See Attachment 1, Attachment 2.*

Verizon's Field Installation NRCs Comply With TELRIC

- Field dispatch costs are comparable to those in New York.
See Attachment 3.
- These costs are properly classified as non-recurring:
 - One-time expenses incurred as a direct result of receiving and filling a CLEC request for service.
 - Verizon technician performs only the work required to provision a specific order.
 - *Not* associated with initial investment costs of providing network facilities. Use of dedicated plant in quantities AT&T urges is inefficient.
 - *Not* incurred in generally maintaining facilities.
 - Thus, *not* included in either the investment or expense portion of recurring rates.